

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance CorporationTenative
July 16, 1948

✓ 1948 LOSS ADJUSTMENT MANUAL FOR TOBACCO

SECTION I - ORGANIZATIONA. General

1. The importance of the loss adjustment phase of crop insurance cannot be over-emphasized. This contact with the insured enables the Corporation to demonstrate how the program works as a means of protection against unavoidable crop failure. Loss adjustment offers the adjuster an excellent opportunity to sell the basic ideas of crop insurance. A thorough explanation of each step in adjusting the loss can result in a better understanding of the contract and avoid misunderstanding which could seriously affect the reaction of the insured to the insurance program in future years.

Adjustment of losses consists of more than simply determining the acreage and the production and value thereof. All decisions made must be consistent with the provisions of the contract and these instructions. In the case of every loss being adjusted consideration should be given to the question of whether or not the loss resulted from an insurable cause.

Even in connection with determining the amount of production, the mere examination of unsold tobacco or evidences of sale does not fully establish the production. These are simply pieces of evidence. They represent a minimum - not necessarily the full production. The contract places upon the insured the burden of proof that the loss resulted from an insured cause. The contract places upon the insured the responsibility for proving the amount of loss. It is the adjuster's job to determine from all sources available whether the full production has been reported by the insured. In doing so he should give consideration to general crop conditions in the area and to the production of other farms in the area and the available evidence as to the condition of the crop on the insurance unit.

All factors entering into the establishment of the amount of loss shall be carefully and impartially considered. There is no place in the adjustment work for bargaining. The adjuster should make his decisions carefully with all the facts in mind and should not attempt to bargain with the insured but should use tact and good judgment in his dealings with the insured.

Accurate and impartial adjustment of losses is essential. The payment of unjust losses under the contract will be at the future expense of all insured farmers in the county through the effect on premium rates.

2. All persons, other than the State Director, connected with the loss adjustment work shall refrain from making any statement to the insured or his agent either admitting or denying the liability of the Corporation for any claim made by the insured.

B. State Crop Insurance Director

1. The Director is responsible for the supervision and coordination of the adjustment of losses within his area. Where necessary he shall authorize the appointment of adjusters. He shall assist with adjustments as conditions require. He shall be certain that persons engaged in loss adjustment are adequately trained and are thoroughly familiar with the provisions of the contract and these instructions. He shall arrange for spot checking as provided in special instructions.
2. The Director through the appropriate state office channel, shall furnish each county committee with the names and addresses of his representatives to whom notices of damage or probable loss are to be forwarded.

C. District Supervisor

1. The Supervisor, if any, shall be in charge of the adjustment of losses within his district. He shall make inspections and adjust losses, where necessary, as assigned by the Director. He shall submit progress reports to the Director as required. If problems arise which he cannot handle, they should be called promptly to the Director's attention.
2. When authorized by the Director and as conditions require, the Supervisor, shall, (1) select and appoint adjusters in order to handle the work promptly and efficiently, (2) adequately instruct and train each adjuster and assist in making the first few inspections and adjustments, (3) not permit adjusters to make inspections or adjust losses involving an insured crop in which the adjuster has a financial or family relationship interest. To protect the interest of the Corporation, the Supervisor may find it advisable to limit the activities of the adjuster in certain other cases.

D. Adjusters.

1. Adjusters shall be under the immediate supervision of, and directly responsible to, the Supervisor or to the Director, if there is no Supervisor. Any problem which the adjuster cannot handle shall be promptly discussed with the Supervisor or the Director if there is no Supervisor.

The adjuster shall:

- a. Be thoroughly familiar with the provisions of the contract (which includes the Regulations), the Acreage Report and the applicable procedures;
- b. Prepare from county office records a list or map showing the names and locations of insured producers in his territory, which will enable him to observe conditions of the insured crops when traveling in the territory;
- c. Where necessary, make an inspection as soon as possible after the insured has reported damage to or a probable loss of the tobacco crop and make the necessary appraisals and reports,

- d. Assist the insured in preparing the Statement in Proof of Loss, when requested;
- e. Answer questions raised by the insured and attempt to settle any misunderstandings in connection with the contract;
- f. Refer any case to the Supervisor or the Director where the adjuster is not entirely satisfied that all production has been reported or where he and the insured can't agree on an appraisal or any other factor affecting the amount of loss. These cases should be accompanied by a full statement of facts.
- g. Prepare Form FCI-26 in accordance with instructions issued by the Director; and
- h. Make recommendations to the Supervisor or Director concerning improvements in the program.

E. County Committee

1. The County Committee is responsible for transmitting notices of damage or probable loss to the State Crop Insurance Director or such adjusters as may be designated by the Director.
2. The County Committee shall arrange for adjusters to have free access to crop insurance records and related records in the county office and for county office personnel to perform planimetry and computations of acreages in connection with loss adjustment work when so requested by the adjuster.

SECTION II

NOTICE OF DAMAGE OR PROBABLE LOSS AND PREPARATION OF FORM FCI-8

A. General

1. The insured is responsible for notifying the County Committee of damage to, or probable loss of, his tobacco crop. This notice should be given in writing, and placed in the insured's folder for future reference. However, any manner or form of notice is acceptable provided a satisfactory Form 8 can be prepared.
2. The County Committee upon receipt of such notice from an insured should prepare Form FCI-8 Rev., "Notice to Corporation of Damage or Probable Loss," (herein called Form 8), in accordance with instructions set forth in subsection B below, and also advise the insured that any acreage of tobacco should not be put to another use without the written consent of an adjuster.
3. The County Committee will notify the State Crop Insurance Director (and any other Corporation representative to be notified) of the report of damage or probable loss.
4. Where the tobacco crop has been harvested from the insurance unit and is sold or otherwise disposed of and a loss has been sustained, the loss should be reported to the county office immediately. All production records, sales records, and warehouse receipts must be available for the adjuster.

5. When notice of damage is given at the county office personally or by telephone after the tobacco is sold or otherwise disposed of, inquiry should be made of the insured to determine whether the value of the production for the insurance unit equals the product of (1) the reported acreage, and (2) the dollar amount of coverage per acre. Where some acreage has been released the applicable coverage should be used.

B. Preparation of Form FCI-8 Revised

1. A separate Form 8 shall be prepared for each insurance unit on which damage or probable loss is reported by the insured. It shall be prepared as follows:

a. Heading: Enter in the spaces provided:

- (1) "Tobacco," followed by the type of tobacco;
- (2) The name and address of the insured, which must agree with that shown on the related crop insurance contract;
- (3) The state and county code and contract number;
- (4) The name of the county;
- (5) In the space provided for farm serial number, enter the insurance unit number, i.e., Unit 1, Unit 2, etc., and
- (6) The contract number of other Federal Crop Insurance contracts covering any part of the tobacco crop on the land in the insurance unit.

b. Data for Numbered Items

Item 1. In the case of Form 8 prepared prior to harvest, enter the name of each farm in the insurance unit to be inspected and either the location of the farm or the legal description. In addition, enter a notation indicating where the insured may be located and the insured's telephone number if possible.

Item 2. Enter the reported acreage(s) on the insurance unit as shown on the acreage report followed by a dash and the applicable coverage and rate area number. If more than one line is required on the acreage report to report the acreages on the insurance unit (either because the insured has different shares in parts of the acreage on the insurance unit or because different coverages or premium rates are established for parts of the acreage, or for any other reason) enter each of these acreages separately. If the acreage report has not been filed make a notation to this effect in item 2.

Item 3. For each acreage in item 2, enter the applicable coverage per acre, expressed in pounds or dollars, whichever applies to the contract.

Item 4. Enter the insured's share(s) in the crop as shown on the acreage report.

Item 5. Enter the date upon which the notice of damage or probable loss is received in the county office.

Item 6. Enter (a) the reported cause(s) of damage to the tobacco crop and a description of the result of such damage, and (b) the

date of damage(s). Include any information which will assist the adjuster in determining if an inspection is necessary.

Item 7 and Item 8. These items are self-explanatory.

Item 9. (a) The person receiving the notice shall initial Form 8. The form shall be signed and dated for the County Committee.

(b) The insured shall be requested to sign Form 8 in every case where the notice is given in person. Otherwise, a notation shall be entered in this space indicating how the notice was received, i.e., by telephone, (followed by the date of the telephone call), by letter (followed by the date of the letter), by some other person (enter the name of the person giving notice and the date of the notice), etc.

Items 10 and Item 11. These items are self-explanatory.

Item 12. In any case where a part of the acreage is "unclassified" or is "non-insurable" as designated on the Crop Insurance Map, a notation to this effect shall be entered in Item 12. Any other remarks deemed advisable should be entered.

2. Distribution

Copies of Form 8 shall be distributed as provided in Section VII hereof.

SECTION III. INSPECTIONS AND INSPECTION REPORTS

A. Inspections

1. An inspection shall be made:

- a. When a request for a release of acreage is received;
- b. Where a loss is claimed (except as provided in Section V, B, hereof) or where it is determined that the insured is eligible for an indemnity; or
- c. In any case where the Corporation determines that an inspection is necessary. Every time an inspection is made, Form FCI-763-T, "Inspection Report for Tobacco," (herein called "Form 763-T") shall be prepared as provided in subsection B, below.

2. When a Form 8 does not include a request for a release of acreage and the person taking action on the case determines that an inspection is not necessary, he shall advise the insured in writing (on a form designed by the Director for this purpose) that:

- a. The notice was received and an inspection is not deemed necessary at that time, including the reason therefor;
- b. Any later material damage to, or probable loss of, the tobacco crop should be reported promptly to the county committee;

- c. If upon completion of harvest and sale (or other disposal) of the crop a loss has occurred, the insured should submit another notice to the county committee within 15 days. The land on which the crop was produced should be left in such condition that the adjuster can easily measure the acreage and determine the condition of the crop at the time of harvest.

This notice to the insured shall be prepared in triplicate and shall include the name and address of the insured, the contract number, the insurance unit number and the farm identification. The original of this notice shall be mailed to the insured, a copy forwarded to the Director, and a copy filed in the insured's folder.

3. Where a Form 8 includes a request for a release of acreage or where the person taking action on the case determines that an inspection is otherwise necessary, the inspection shall be made promptly. If "Yes" has been entered in item 11 of Form 8, or if Form 8 indicates that different coverage groups or premium rates are applicable to parts of the insurance unit, or that a part of the farm is designated on the crop insurance map as non-insurable, and in any other case where the adjuster feels it necessary, he shall contact the county office before making the inspection. In such cases the adjuster shall:
 - a. Thoroughly familiarize himself with all crop insurance material, including correspondence, in the insured's folder which relates to the 1948 crop year in order that he will be able to answer any questions pertaining thereto and in order that he may handle any problems which arises in connection with the inspection;
 - b. Obtain records or data for the insurance unit which would be helpful to him, such as a sketch of the farm or copies of Forms 763-T already prepared;
 - c. From information available in the county office, prepare the heading of Form 763-T for each insurance unit (or part thereof) involved, as provided in subsection B-3-a, below.
4. If Form 8 shows or the adjuster finds that the insured has not filed an acreage report, the adjuster shall obtain the acreage report and submit it to the county office.
5. It is essential that the adjuster clearly understands what constitutes an "insurance unit." An insurance unit includes (a) all of the insurable tobacco (of one type) in the county in which the insured has 100 percent share at the time of planting or (b) all of the insurable tobacco (of one type) in the county in which two or more persons (e.g. landlord and share-cropper) have 100 percent share at the time of planting. All or any part of such land which is designated on the county crop insurance map as "unclassified" or as "non-insurable" shall not be considered an insurance unit or any part thereof. An insurance unit shall not include any acreage planted to tobacco which is destroyed or substantially destroyed which can be replanted before it is too late to replant tobacco as determined by the Corporation and such acreage is not replanted to tobacco. In making an inspection, the adjuster must keep in mind the definition of an insurance unit and take appropriate steps in accordance with this procedure for treatment of any acreage of tobacco to which no insurance attached.

6. Where unharvested acreage is released, the amount of insurance for such acreage is 65 percent of the amount otherwise determined, except that this reduction will not apply to the acreage of type 11, 12, 13, 14, 21, 22, 23, 31, 32, or 35 tobacco which is released because of damage occurring after the beginning of harvest on the insurance unit.

B. Inspection Report

1. A separate Form 763-T shall be prepared for each farm at the time of each inspection. In addition, where different coverages or different premium rates are applicable to parts of a farm, a separate Form 763-T shall be prepared and properly identified for each such part.
2. Where acreage is released, the amount of insurance is established accordingly for such acreage. Where the insured carries released acreage to harvest, the amount of insurance established for such acreage at the time of release cannot be changed later unless the Corporation determines, on the basis of actual production, that the acreage was not actually substantially destroyed as defined in the Regulations. In cases where this determination is made by an adjuster, an explanation thereof, including the production (and the value thereof) for such acreage and other pertinent facts, shall be recorded on the Form 763-T being prepared at the time. If it is found that an error was made on the Form 763-T previously prepared, the correct information, a full explanation thereof, and other pertinent facts shall be recorded on a new Form 763-T which shall be labeled "corrected" in the heading thereof. In either of these types of cases the county office copy of the Form 763-T previously prepared shall be marked "void" by the adjuster and left in the insured's folder.

3. Form 763-T shall be prepared as follows:

a. Heading:

- (1) Enter "crop year 1948" in the upper left-hand corner just below the form number.
- (2) Item 1: Enter the correct name and address of the insured.
- (3) Item 2: Enter the state and county code and contract number.
- (4) Item 3: Instead of entering the farm serial number, enter the coverage and rate area number(s) in which the acreage is located.
- (5) Item 4: Enter the type of tobacco produced on the farm (or part thereof).
- (6) Item 5: Enter the name by which the farm is commonly known and its location, including the number of miles and the direction of the farm from some well known landmark.

b. Part I. Fields or Tracts Containing Damaged Acreage

Data for each field or tract containing damaged tobacco shall be entered in Part I. The Director may require that data for all fields or tracts

be entered in Part I in the case of inspection during the growing season. Where there is insufficient space in Part I to record the necessary data, additional Forms 763-T shall be prepared, identified in the heading as provided above, and marked "Continuation sheet: Page of pages." All fields or tracts of the insured type of tobacco on the farm being inspected shall be accounted for in the space provided for a sketch map in Part III, unless provided otherwise by the Director.

(In Graves County, Kentucky, and Appomattox County, Virginia, insert in the statement above the column headings the applicable of Type "21" or "23.")

Column A: Enter the description, location or other identification of each field or tract containing damaged tobacco in the case of inspection before harvest. All fields or tracts of the insured type of tobacco on the insurance unit shall be identified on the Form 763-T which is prepared at the time the loss is adjusted.

Column B: Enter the estimated total acreage (or the measured acreage) of tobacco in each such field or tract. The acreages entered at the time the loss is adjusted must be measured acreages.

Column C: Enter the measured acreage of unharvested tobacco which is released in each such field or tract. (If no acreage is released, enter a "zero.") Where the acreage being released is only a part of the acreage in a field or tract, the location of the released acreage in the field or tract shall be sketched in the space provided in Part III of Form 763-T.

The adjuster shall not release any acreage planted to tobacco until he determines that:

- (1) The tobacco has been destroyed or substantially destroyed: (The tobacco is not considered to be substantially destroyed unless it has been so badly damaged that farmers generally in the area where the farm is located and on whose farms similar damage occurred would not further care for it or harvest any part of it), and
- (2) It is too late to replant land to tobacco in the area. The question of when it is too late to replant land to tobacco shall be resolved by determining if producers generally in the area, particularly uninsured producers, are still planting or replanting. If this is the case and it is practicable for the insured to replant, he shall be advised that unless the acreage is replanted to tobacco it will not be considered insured acreage. The insured shall also be advised that no premium will be due and no loss will be payable on any acreage which is not insured acreage. In such cases where the acreage will not be replanted to tobacco, the adjuster shall obtain a "revised" acreage report from the insured, as provided in the Acreage Report Procedure.

Column D: (This column is applicable only to Types 11, 12, 13, 14, 21, 22, 23, 31, or 35 tobacco.) For each acreage released, enter the number of acres to which the 65 percent limitation of coverage does not apply, which shall be any released acreage which is destroyed or

substantially destroyed after the beginning of harvest on the insurance unit. "Harvest" means any severance of the tobacco plant from the land, except that, with respect to Types 11, 12, 13, and 14, "harvest" means the first priming. Where there is any question concerning whether the acreage was destroyed or substantially destroyed before or after the beginning of harvest on the insurance unit, the adjuster shall consider the visible evidence available at the time of inspection. If the adjuster is unable to establish that the acreage was destroyed or substantially destroyed after the beginning of harvest on the insurance unit, the acreage shall be considered to have been destroyed or substantially destroyed before the beginning of harvest on the insurance unit and no entry shall be made in column D for that acreage.

Column E: Enter the primary insured cause of damage to the tobacco in each field or tract identified in column A. Where only a part of the acreage in a field or tract is damaged, the location of the damaged acreage shall be recorded in Part III.

The adjuster shall determine whether any of the damage is due to causes not insured against, and, if so, the extent of such damage shall be recorded in Part III. Any uninsured cause of damage and the necessary appraisal per acre shall be discussed with the insured while the evidence is still visible.

The adjuster shall advise the insured that on any acreage where the crop has been partially destroyed but not damaged sufficiently to be released by the Corporation, proper measures must be taken to protect it from further damage, and to care for and harvest it. The adjuster shall also advise the insured that if unharvested acreage of insured tobacco is put to another use without the consent of the Corporation, that acreage will be subject to an appraisal of production at least equal to the amount of insurance coverage for such acreage.

Column F: Enter the date of damage to the tobacco in each field or tract.

c. Other Use of Part I

Part I of Form 763-T may also be used to record any information deemed to be necessary for final settlement of a loss claim. All of the columns in Part I may be used.

d. Part II - Determination of Production and Value Thereof

Part II of Form 763-T shall be prepared in connection with a claim for loss after harvest, and it shall be prepared before the related Statement in Proof of Loss is prepared. The production to be accounted for in Part II shall include the shares of all persons in the production of tobacco on the insurance unit. Routine completion of this Part shall not be considered adequate to determine the quantity of tobacco produced. The reasonableness of the quantity as related to the acreage involved shall be considered, and a comparison of the current yield produced on other comparable farms in the area should be made. The stalks and other evidences of the quantity of production should be examined. Other inquiry or search should be made if the reported yield is materially less than the yield of other comparable farms in the area, or is materially less than the production on the insurance unit appears to have been on the basis of available evidence.

Any harvested tobacco which has been removed from the field or housed and which is subsequently destroyed by any cause (such as fire) shall be considered as production and included in Item 8 of Form 763-T.

In order to be sure that all production is accounted for, the adjuster must examine production records, sales records, and any other available records.

In connection with the determination of both the quantity and the value of the tobacco produced on the insurance unit which is not sold on the auction warehouse floor, a record of each lot of tobacco which is sold shall be recorded in Part III, or, where there is insufficient space in Part III, this record should be on the reverse side of the original of Form 763-T. This record shall include for each such lot of tobacco (1) the sales ticket number, (2) the weight, (3) the cash returns, and (4) the name and address of the buyer.

Wherever practicable, the adjuster may obtain a statement from the buyers to whom the tobacco is sold showing the information required by the above paragraph. Any such statement should be dated and signed by the buyer or his representative and shall be attached to the original of Form 763-T.

Where the insured has different shares in parts of the acreage on the insurance unit, the adjuster shall make certain that production is reported separately for each acreage in which the insured has a different share and that the production reported for each acreage appears to be reasonable. No insurance will attach to any acreage initially planted to tobacco too late to expect to produce a normal crop. In cases involving any of such acreage if the insured has failed to keep separate acceptable records of production for the uninsured acreage or has failed to keep such production separate from the production on the insured acreage, the production for the insurance unit shall include any of the production from such uninsured acreage which is commingled with production from insured acreage. If separate acceptable records have been kept or if the production has been kept separate the total production for the insurance unit shall not include any production from such uninsured acreage.

Item 6: Columns A and B: Enter in column A the total number of pounds of tobacco harvested from the insurance unit and sold on the warehouse floor. Enter in column B the cash returns from the sale of such tobacco, which shall include any marketing quota penalty withheld upon the sale thereof.

Column C: If due to an uninsured cause there is a deterioration in the quality of any of the tobacco sold on the warehouse floor, the adjuster shall determine the cash value of the loss due to such uninsured cause. The amount so determined shall be added to the entry in Column B and the result entered in column C. In addition, the reason for the adjustment shall be shown in Part III. Where no such adjustment is necessary, the entry in column B shall be entered in column C.

In cases where the tobacco produced on the insurance unit is divided on the crop share basis among the producers, the entry for column C will be that determined for the number of pounds of tobacco shown in column A on the basis of the value of this tobacco at the time the insured sold his share or at the end of the insurance period if the tobacco has not been sold, considering the cash returns from each different grade and quality of this tobacco. Any such figure shall be adjusted, where applicable, in accordance with the above paragraph, and the reason for the adjustment and the extent thereof shall be shown in Part III.

Item 7: To the left of Column A and in Columns A and B: Enter to the left of column A the name and address of the person(s), if any, to whom any tobacco harvested from the insurance unit was sold other than on the warehouse floor. Enter in column A the number of pounds of tobacco sold to such person(s) and in column B the amount received from the sale of such tobacco to each such person.

Column C: The entry for column C shall be determined in accordance with the applicable of the following:

1. Where the tobacco is sold to an established tobacco company, the entry for column C shall be determined in accordance with instructions for item 6, column C, above.
2. Where the tobacco is not sold to an established tobacco company, the entry for column C shall be the sum of:
 - (a) The fair market value of any such tobacco which is not available for inspection by the adjuster, which shall be the larger of (1) the amount actually received therefor, or (2) the product of the number of pounds not available for inspection and the market price established by the Corporation for that type of tobacco; and
 - (b) The fair market value of any such tobacco which is available for inspection by the adjuster, which shall be the larger of (1) the amount actually received therefor or (2) the product of the number of pounds available for inspection and the price per pound determined by the adjuster to be a fair price for such tobacco.

This sum shall be adjusted, where applicable, in accordance with the instructions for item 6, column C, above.

Item 8: Columns A and C: Enter in column A the number of pounds of tobacco harvested from the insurance unit which has not been sold and in column C the fair market value thereof, adjusted, if applicable, in accordance with the instructions for item 6, column C, above.

Item 9: To the left of Column A: Enter in the spaces provided to the left of column A (1) the acreage on the insurance unit on which unharvested tobacco remains in the field and (a) the appraised yield per acre of unharvested tobacco.

Columns A and C: Enter in column A the product of the number of acres containing unharvested tobacco and the appraised yield per acre therefor, and in column C the appraised cash value thereof, which shall be the product of the number of pounds shown in column A and the market price established by the Corporation for that type of tobacco.

Verification of Computations: After all of the entries and computations have been made as provided above, they shall be rechecked for accuracy and for completeness.

e. Part III

Part III shall be prepared each time an inspection of the insurance unit is made. The Director shall outline for the adjuster the information which the Director thinks the Corporation will need in the final determination of the loss, if any, and instruct the adjuster to enter in Part III whatever of that information is available. In all cases the adjuster shall enter the date on which harvesting of tobacco was completed on the farm. This entry shall be indicated as follows: "Harvest completed - - August 30, 1948."

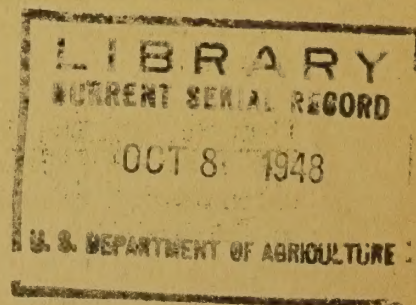
Also, enter in Part III any causes of damage not included in Part I, and the dates thereof. When any damage is due to an uninsured cause, enter a full explanation and set forth the extent of such damage, including the number of acres damaged and the appraised reduction in production per acre due to such damage. A notation describing the condition of all the acreage of the insured crop on the farm which is not accounted for in Part I shall be included in Part III.

Where an inspection is being made during the growing season, the adjuster shall determine whether the number of acres of the insured crop in all fields or tracts on the insurance unit approximates the reported acreage for the insurance unit as shown on Form 8. If, in his opinion, there is a substantial difference between the two figures, an explanation of why such difference exists shall be entered in Part III.

Part III should be complete enough for a person not familiar with the case to understand the case after reviewing Form 763-T.

Date and Signature: In the space provided above Part III, the adjuster shall sign Form 763-T and enter the date on which the inspection is made. The signature of the insured should also be obtained unless it is impracticable to do so.

Distribution: Copies of Form 763-T shall be distributed in accordance with Section VII hereof.



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UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
Washington 25, D. C.

November 29, 1948

To: State Directors, Tobacco States
From: E. W. Anderson, Acting Manager, FCIC
Subject: Revision of the 1948 Loss Adjustment Manual for Tobacco

The 1948 Loss Adjustment Manual for Tobacco provides in effect that in determining whether there is a loss the cash value of any unharvested tobacco shall be the product of the number of pounds of unharvested tobacco and the market price determined by the Corporation for that type of tobacco.

We have reviewed several special cases involving unharvested tobacco where the cash value for such tobacco was determined on the basis of appraisal. We have approved these cases for the reason that the unharvested tobacco was available for inspection by the adjuster and that a fair cash value can be established on the basis of inspection. Also we have received recommendations from state directors advocating the use of the appraisal method in these cases rather than the method provided for in the Manual. Therefore, we find it advisable to revise the Manual to permit the determination of the cash value of unharvested tobacco on the basis of an appraisal. The following changes in the Manual are necessary:

1. Page 12. In the first paragraph on page 12 insert a period at the end of the third line and delete the balance of the sentence.
2. Page 18. On page 18 under the instructions for Item 7, Columns A and B insert a period in the third line following the word "thereof" and delete the balance of the sentence.

The same distribution is being made of this memorandum as was made of the Manual. You should arrange to make proper distribution of this memorandum to adjusters and county offices.

E. W. Anderson

Acting Manager

